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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

September 14, 2010

#23 SEPTEMBER 14, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL TO EXTEND A LABORATORY SPECIMEN TRANSPORTATION SERVICES
AGREEMENT WITH
ACCURATE COURIER SERVICES, INC. FOR THE PERIOD OF OCTOBER 1, 2010 THROUGH
SEPTEMBER 30, 2011**

SUBJECT

Request approval to amend a Laboratory Specimen Transportation Services Agreement with Accurate Courier Services, Inc. to extend the term of the agreement for twelve months, effective October 1, 2010 through September 30, 2011.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chair to execute Amendment Number 15, in a form substantially similar to Exhibit I, to Agreement Number H-71250 with Accurate Courier Services, Inc. (Accurate) for the provision of laboratory specimen transportation services to the Department of Public Health (DPH) and Department of Health Services (DHS) to extend the term for a period of twelve months, effective October 1, 2010 through September 30, 2011, at current rates, for an estimated total cost of \$712,314 for DPH and DHS (Departments).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will amend the current Laboratory Specimen Transportation Services Agreement to extend the term of the Agreement through September 30, 2011, to ensure the provision of critical services to the Departments. The current agreement with Accurate expires on September 30, 2010. The extended service has been determined to be cost effective.

In December 2008, on behalf of both Departments, DPH conducted a competitive solicitation process for a new courier vendor for laboratory courier services. Three proposals were received in January 2009 in response to the Request for Proposals (RFP) however, there were a number of delays with the solicitation process. In June 2009, the solicitation process was temporarily suspended following DPH's initial review of the proposer's responses which indicated that the proposal instructions may not have been clear. On June 29, 2009, a memo was sent to proposers requesting clarification of their responses. In July 2009, Contracts and Grants staff were reassigned for several months to assist with critical H1N1 response activities, further delaying the competitive solicitation process.

In May 2010, the Health Deputies were notified that the evaluation of the proposals had been completed and a vendor was selected. During subsequent contract negotiations with the selected proposer, material inconsistencies between the information provided in the RFP and information provided at the Proposer's Conference regarding the utilization of subcontractors was discovered. Based on this inconsistency, a determination was made that it is not in the best interest of the County to recommend any of the proposals for agreement award. As a result, the solicitation was canceled with DHS concurrence. During the recommended one-year extension with the current provider, DPH, in collaboration with DHS, will release a new RFP and return to your Board for approval of a successor agreement.

The laboratory specimen transportation service contractor provides courier services for both Departments. Continuation of service is necessary to ensure that specimens are collected from County health centers, County hospitals, public health clinics, community-based organizations, and other similar facilities for delivery to appropriate County laboratory facilities for testing.

Existing County policy and procedures require the timely submission of contracts for Board approval. This request for approval of a contract amendment was not scheduled for placement on the Board's agenda three weeks prior to its effective date as required due to unanticipated delays associated with the evaluation of the proposals as well as negotiations which ultimately led to an inability to select a suitable provider for the County and a determination to cancel the RFP.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness, and Goal 4, Health and Mental Health of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The estimated total cost for services is \$712,314, which is comprised of DPH cost of \$254,535 and DHS cost of \$457,779, for the period October 1, 2010 through September 30, 2011.

Funding for this action is included in DPH's and DHS' 2010-11 Final Adopted Budgets and will be requested in future fiscal years, as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Courier services are essential to County facilities which require the transport of laboratory

specimens, reports, supplies, and other materials (e.g., specimen containers, x-ray films, medical records, etc.) to and from designated sites. A successful courier service is required to provide the timely pick up and delivery of laboratory items, with the assurance that items are transported under the appropriate transport conditions, guaranteeing specimen integrity and the security and confidentiality of all documents, laboratory reports, and medical records related to the laboratory specimen.

The laboratory specimen transportation services agreement is a Proposition A (Prop A) Agreement and subject to the requirements of the County's Living Wage Program. The Agreement provides the new Living Wage Ordinance Rates pursuant to Title 2, Chapter 2.201.040, Payment of Living Wage. The current Contractor is in compliance with the Living Wage requirements.

County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS

On February 17, 1998, your Board approved a Prop A Laboratory Transportation Services Agreement with First Class Services dba Consolidated Routing (Consolidated), effective February 17, 1998 through December 31, 2000, at an estimated annual cost of \$305,032. Since the original award, the Agreement has undergone 14 amendments, including the addition of service site locations, term extensions, rate adjustments, and updates to the living wage rates and language.

In 2004, a new contractor was selected following a two-year competitive selection process; however, the selected contractor was unable to fulfill contractual requirements. This resulted in extension of the Agreement through June 30, 2009.

In January 2006, the Agreement was amended to reflect a change in ownership from Consolidated to Accurate.

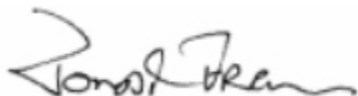
On December 22, 2008, DPH released an RFP for laboratory courier services on behalf of both Departments. In January 2009, in response to the solicitation, three proposals were received. On June 16, 2009, in order to allow sufficient time to complete the RFP process, your Board approved Amendment Number 13 to extend the term of the Agreement with Accurate for up to nine months, on a month-to-month basis, effective July 1, 2009 through March 31, 2010, or until the competitive selection process was completed, whichever occurred sooner, at an estimated cost of \$506,707.

On March 16, 2010, your Board approved Amendment Number 14 to Agreement Number H-71250 with Accurate to further extend the term for six months, effective April 1, 2010 through September 30, 2010, to complete the solicitation process, which was in the final stages of the selection and review process at that time, at an estimated cost of \$358,824.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended action will ensure the continued provision of laboratory specimen transportation services for both Departments and allow additional time to prepare a new RFP and complete the competitive solicitation process.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jonathan E. Fielding". The signature is written in a cursive, flowing style.

JONATHAN E. FIELDING, M.D., M.P.H.
Director and Health Officer

JEF:ly

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Director, Health Services

Contract No. H-71250-15

LABORATORY SPECIMEN TRANSPORTATION SERVICES AGREEMENT

AMENDMENT NUMBER 15

THIS AMENDMENT is made and entered into this 14th day
of September, 2010,

by and between

COUNTY OF LOS ANGELES (hereafter
"County"),

and

ACCURATE COURIER SERVICES, INC.
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "LABORATORY SPECIMEN TRANSPORTATION SERVICES AGREEMENT", dated February 17, 1998, and further identified as County Agreement Number H-71250 and any Amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend Agreement to extend the term and provide other changes set forth herein; and

WHEREAS, said Agreement provides that changes may be made in the form of a written Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall be effective on October 1, 2010.
2. Paragraph 1, TERM AND TERMINATION, Subparagraph "A" of the Agreement, shall be amended to read as follows:

71250 Supplement No. 14

"1. TERM AND TERMINATION:

A. This Agreement shall be effective February 17, 1998, and shall continue in full force and effect through September 30, 2011. Between October 1, 2010 and August 31, 2011, should the County elect to terminate this Agreement at the end of a calendar month, the County shall give Contractor at least fifteen (15) calendar days' prior written notice of the termination of this Agreement.

In any event, this Agreement may be canceled or terminated at any time by either party, with or without cause, by giving at least thirty (30) calendar days' prior written notice of such cancellation or termination to the other."

4. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chair, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.



ATTEST:

SACHI A. HAMAI,
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By [Signature]
Deputy

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
ANDREA SHERIDAN ORDIN
County Counsel

By [Signature]
Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Public Health

By [Signature]
Patricia Gibson, Acting Chief
Contracts and Grants Division

COUNTY OF LOS ANGELES

By [Signature]
Chair, Board of Supervisors

ACCURATE COURIER SERVICES, INC.
Contractor

By [Signature]
Signature
JOSEPH GEMINI
Printed Name

Title PRESIDENT
(AFFIX CORPORATE SEAL)

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By [Signature]
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

[Signature]
SACHI A. HAMAI
EXECUTIVE OFFICER